
By: **Calvert County Delegation**

Introduced and read first time: February 5, 2004

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Calvert County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of
4 Calvert County, from time to time, to borrow not more than \$5,100,000 in order
5 to finance the construction, improvement, or development of certain public
6 facilities in Calvert County, as herein defined, and to effect such borrowing by
7 the issuance and sale at public or private sale of its general obligation bonds in
8 like par amount; empowering the County to fix and determine, by resolution,
9 the form, tenor, interest rate or rates or method of determining the same, terms,
10 conditions, maturities, and all other details incident to the issuance and sale of
11 the bonds; empowering the County to issue refunding bonds for the purchase or
12 redemption of bonds in advance of maturity; empowering and directing the
13 County to levy, impose, and collect, annually, ad valorem taxes in rate and
14 amount sufficient to provide funds for the payment of the maturing principal of
15 and interest on the bonds; exempting the bonds and refunding bonds and the
16 interest thereon and any income derived therefrom from all State, county,
17 municipal, and other taxation in the State of Maryland; providing that nothing
18 in this Act shall prevent the County from authorizing the issuance and sale of
19 bonds the interest on which is not excludable from gross income for federal
20 income tax purposes; and relating generally to the issuance and sale of such
21 bonds.

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That, as used herein, the term "County" means the body politic and
24 corporate of the State of Maryland known as the County Commissioners of Calvert
25 County, and the term "construction, improvement, or development of public facilities"
26 means the acquisition, alteration, construction, reconstruction, enlargement,
27 equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading,
28 and repair of public buildings and facilities, including, but not limited to the
29 Sunderland Elementary School, Prince Frederick Library, Cove Point swimming pool,
30 and issuance costs together with the costs of acquiring land or interests in land as
31 well as any related architectural, financial, legal, planning, or engineering services.

32 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
33 authorized to finance any part or all of the costs of the public facilities described in
34 Section 1 of this Act, and to borrow money and incur indebtedness for that purpose, at

1 one time or from time to time, in an amount not exceeding, in the aggregate,
2 \$5,100,000 and to evidence such borrowing by the issuance and sale upon its full faith
3 and credit of general obligation bonds in like par amount, which may be issued at one
4 time or from time to time, in one or more groups or series, as the County may
5 determine.

6 SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be
7 issued in accordance with a resolution of the County, which shall describe generally
8 the construction, improvement, or development of public facilities for which the
9 proceeds of the bond sale are intended and the amount needed for those purposes. The
10 County shall have and is hereby granted full and complete authority and discretion in
11 the resolution to fix and determine with respect to the bonds of any issue: the
12 designation, date of issue, denomination or denominations, form or forms, and tenor
13 of the bonds which, without limitation, may be issued in registered form within the
14 meaning of Section 30 of Article 31 of the Annotated Code of Maryland, as amended;
15 the rate or rates of interest payable thereon, or the method of determining the same,
16 which may include a variable rate; the date or dates and amount or amounts of
17 maturity, which need not be in equal par amounts or in consecutive annual
18 installments, provided only that no bond of any issue shall mature later than 30 years
19 from the date of its issue; the manner of selling the bonds, which may be at either
20 public or private sale, for such price or prices as may be determined to be for the best
21 interests of Calvert County; the manner of executing and sealing the bonds, which
22 may be by facsimile; the terms and conditions, if any, under which bonds may be
23 tendered for payment or purchase prior to their stated maturity; the terms or
24 conditions, if any, under which bonds may or shall be redeemed prior to their stated
25 maturity; the place or places of payment of the principal of and the interest on the
26 bonds, which may be at any bank or trust company within or without the State of
27 Maryland; covenants relating to compliance with applicable requirements of federal
28 income tax law, including (without limitation) covenants regarding the payment of
29 rebate or penalties in lieu of rebate; covenants relating to compliance with applicable
30 requirements of federal or state securities laws; and generally all matters incident to
31 the terms, conditions, issuance, sale, and delivery thereof.

32 The bonds may be made redeemable before maturity, at the option of the County,
33 at such price or prices and under such terms and conditions as may be fixed by the
34 County prior to the issuance of the bonds, either in the resolution or in a bond order
35 pursuant to the bond resolution. The bonds may be issued in registered form and
36 provision may be made for the registration of the principal only. In case any officer
37 whose signature appears on any bond ceases to be such officer before the delivery
38 thereof, such signature shall nevertheless be valid and sufficient for all purposes as if
39 he had remained in office until such delivery. The bonds and the issuance and sale
40 thereof shall be exempt from the provisions of Sections 9, 10, and 11 of Article 31 of
41 the Annotated Code of Maryland, as amended.

42 The County may enter into agreements with agents, banks, fiduciaries,
43 insurers, or others for the purpose of enhancing the marketability of any security for
44 the bonds and for the purpose of securing any tender option that may be granted to
45 holders of the bonds, all as may be determined and presented in the aforesaid
46 resolution, which may (but need not) state as security for the performance by the

1 County of any monetary obligations under such agreements the same security given
2 by the County to bondholders for the performance by the County of its monetary
3 obligations under the bonds.

4 If the County determines in the resolution to offer any of the bonds by
5 solicitation of competitive bids at public sale, the resolution shall fix the terms and
6 conditions of the public sale and shall adopt a form of notice of sale, which shall
7 outline the terms and conditions, and a form of advertisement, which shall be
8 published in one or more daily or weekly newspapers having a general circulation in
9 the County and which may also be published in one or more journals having a
10 circulation primarily among banks and investment bankers. At least one publication
11 of the advertisement shall be made not less than 10 days before the sale of the bonds.

12 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
13 shall be made to the Treasurer of Calvert County or such other official of Calvert
14 County as may be designated to receive such payment in a resolution passed by the
15 County before such delivery.

16 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
17 sale of bonds shall be used and applied exclusively and solely for the acquisition,
18 construction, improvement, or development of public facilities for which the bonds are
19 sold. If the amounts borrowed shall prove inadequate to finance the projects described
20 in the resolution, the County may issue additional bonds with the limitations hereof
21 for the purpose of evidencing the borrowing of additional funds for such financing,
22 provided the resolution authorizing the sale of additional bonds shall so recite, but if
23 the net proceeds of the sale of any issue of bonds exceeds the amount needed to
24 finance the projects described in the resolution, the excess funds so borrowed and not
25 expended shall be applied to the payment of the next principal maturity of the bonds
26 or to the redemption of any part of the bonds which have been made redeemable or to
27 the purchase and cancellation of bonds, unless the County shall adopt a resolution
28 allocating the excess funds to the acquisition, construction, improvement, or
29 development of other public facilities, as defined and within the limits set forth in this
30 Act.

31 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
32 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
33 faith and credit and unlimited taxing power of the County to the payment of the
34 maturing principal of and interest on the bonds as and when they become payable. In
35 each and every fiscal year that any of the bonds are outstanding, the County shall
36 levy or cause to be levied ad valorem taxes upon all the assessable property within the
37 corporate limits of the County in rate and amount sufficient to provide for or assure
38 the payment, when due, of the principal of and interest on all the bonds maturing in
39 each such fiscal year and, in the event the proceeds from the taxes so levied in any
40 such fiscal year shall prove inadequate for such payment, additional taxes shall be
41 levied in the succeeding fiscal year to make up any such deficiency. The County may
42 apply to the payment of the principal of and interest on any bonds issued hereunder
43 any funds received by it from the State of Maryland, the United States of America,
44 any agency or instrumentality thereof, or from any other source, if such funds are
45 granted for the purpose of assisting the County in financing the acquisition,

1 construction, improvement, or development of the public facilities defined in this Act
2 and, to the extent of any such funds received or receivable in any fiscal year, the taxes
3 that are required to be levied may be reduced accordingly.

4 SECTION 6. AND BE IT FURTHER ENACTED, That the County is further
5 authorized and empowered, at any time and from time to time, to issue its bonds in
6 the manner hereinabove described for the purpose of refunding, by payment at
7 maturity or upon purchase or redemption, any bonds issued hereunder. The validity
8 of any such refunding bonds shall in no way be dependent upon or related to the
9 validity or invalidity of the obligations so refunded. The powers herein granted with
10 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.
11 Such refunding bonds may be issued by the County in such an amount as shall be
12 necessary for the purpose of providing it with funds to pay any of its outstanding
13 bonds issued hereunder at maturity, for the purpose of providing it with funds to
14 purchase in the open market any of its outstanding bonds issued hereunder, prior to
15 the maturity thereof, or for the purpose of providing it with funds for the redemption
16 prior to maturity of any outstanding bonds issued hereunder which are, by their
17 terms, redeemable, for the purpose of providing it with funds to pay interest on any
18 outstanding bonds issued hereunder prior to their payment at maturity of purchase
19 or redemption in advance of maturity, or for the purpose of providing it with funds to
20 pay any redemption or purchase premium in connection with the refunding of any of
21 its outstanding bonds issued hereunder. The proceeds of the sale of any such
22 refunding bonds shall be segregated and set apart by the County as a separate trust
23 fund to be used solely for the purpose of paying the purchase or redemption prices of
24 the bonds to be refunded.

25 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior
26 to the preparation of definitive bonds, issue interim certificates or temporary bonds,
27 exchangeable for definitive bonds when such bonds have been executed and are
28 available for such delivery, provided, however, that any such interim certificates or
29 temporary bonds shall be issued in all respects subject to the restrictions and
30 requirements set forth in this Act. The County may, by appropriate resolution,
31 provide for the replacement of any bonds issued hereunder which shall have become
32 mutilated or lost or destroyed upon such conditions and after receiving such
33 indemnity as the County may require.

34 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
35 issued pursuant to the authority of this Act, their transfer, the interest payable
36 thereon, and any income derived therefrom in the hands of the holders thereof from
37 time to time (including any profit made in the sale thereof) shall be and are hereby
38 declared to be at all times exempt from State, county, municipal, or other taxation of
39 every kind and nature whatsoever within the State of Maryland. Nothing in this Act
40 shall prevent the County from authorizing the issuance and sale of bonds the interest
41 on which is not excludable from gross income for federal income tax purposes.

42 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
43 money and issue bonds conferred on the County by this Act shall be deemed to provide
44 an additional and alternative authority for borrowing money and shall be regarded as
45 supplemental and additional to powers conferred upon the County by other laws and

1 shall not be regarded as in derogation of any power now existing; and all Acts of the
2 General Assembly of Maryland heretofore passed authorizing the County to borrow
3 money are hereby continued to the extent that the powers contained in such Acts have
4 not been exercised, and nothing contained in this Act may be construed to impair, in
5 any way, the validity of any bonds that may have been issued by the County under the
6 authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed,
7 and approved. This Act, being necessary for the welfare of the inhabitants of Calvert
8 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of
9 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of
10 such inconsistency.

11 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take
12 effect June 1, 2004.